

(Unofficial Translation)

10 November 2022

Subject Management Discussion and Analysis for Quarter 3/2022
Attention President, The Stock Exchange of Thailand

Bluebik Group Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for Quarter 3/2022 as attached.

Your Sincerely

-signature-

(Miss Sriprae Thanathitiphan)

Chief Finance Officer

Business Overview

Bluebik Group Public Company Limited and its subsidiaries (“the Group”) is an end-to-end service provider for strategic and digital technology consulting and other related services for various business sectors. Main active businesses are including;

1. **Management Consulting (MC)** is service to develop short-term and long-term strategic business plan (3 – 5 years), develop marketing plan for customers’ products to create competitive strategy, perform business process improvement and reorganization.

2. **Strategic Project Management (PMO)** is service to provide project management or product management function including supervising projects, managing and monitoring project progress to ensure work delivery on timely basis and goal achievements of organizations.

3. **Digital Excellence and Delivery (DX)** is service to provide in-depth consulting in digital technology suitable to the organizations including designing user experiences and user-system interface (UX/UI) on website or application as well as developing deep technology, SAP enhancement, CRM implementation and cyber security consulting to solve specific problems within the organizations in order to achieve the goal to enhance work efficiency and business flexibility.

4. **Big data, advanced analytics and artificial intelligence (AI)** is service to design and implement big data platform, analyze big data and implement the artificial intelligence to translate data into measurable value and support management decision making.

Financial Performance Summary for the period ended 30 September 2022

Consolidated								Unit Million Baht			
	3M Q3/22	3M Q2/22	Change QoQ	%	3M Q3/21	Change YoY	%	9M 22	9M 21	Change YTD	%
Service and sale revenue	181.41	131.85	49.57	37.59%	71.01	110.41	155.49%	424.60	197.93	226.67	114.52%
Cost of service and sale	(96.71)	(58.61)	(38.10)	65.00%	(23.52)	(73.18)	311.12%	(200.33)	(69.67)	(130.66)	187.54%
Gross profit	84.71	73.24	11.47	15.66%	47.48	37.22	78.39%	224.27	128.26	96.01	74.86%
Other income	2.19	1.89	0.30	15.96%	0.70	1.49	212.79%	4.87	0.71	4.17	590.46%
Selling expenses	(20.18)	(18.74)	(1.44)	7.69%	(11.10)	(9.08)	81.75%	(58.03)	(30.94)	(27.09)	87.54%
Administrative expenses	(28.11)	(23.35)	(4.76)	20.39%	(19.98)	(8.13)	40.68%	(72.69)	(43.51)	(29.18)	67.06%
Profit from operation	38.60	33.04	5.57	16.86%	17.10	21.51	125.80%	98.41	54.51	43.91	80.55%
Financial income	0.41	0.58	(0.17)	-29.82%	-	0.41	100.00%	1.60	0.03	1.57	4726.92%
Financial expense	(0.20)	(0.19)	(0.01)	7.50%	(0.14)	(0.06)	42.37%	(0.56)	(0.43)	(0.13)	29.30%
Share of profit – asso/ JV	6.89	3.13	3.76	119.87%	0.98	5.91	604.80%	16.62	0.72	15.90	2212.35%
Income tax expense	(7.67)	(3.63)	(4.04)	111.51%	(2.46)	(5.21)	211.90%	(16.45)	(9.29)	(7.16)	77.01%
Net profit	38.03	32.94	5.09	15.47%	15.47	22.56	145.79%	99.62	45.53	54.09	118.79%
Net profit margin	20.97%	24.98%			21.79%			23.46%	23.00%		

Revenue breakdown by each services can be shown as following;

Service and sale revenue								Unit Million Baht			
	3M Q3/22	3M Q2/22	Change QoQ	%	3M Q3/21	Change YoY	%	9M 22	9M 21	Change YTD	%
1. Management consulting	24.24	23.48	0.76	3.23%	13.31	10.93	82.10%	76.50	40.03	36.47	91.11%
2. Strategic PMO	21.90	10.14	11.76	116.00%	-	21.90	100.00%	39.80	3.24	36.56	1128.40%
3. Digital delivery	105.49	76.51	28.98	37.88%	47.63	57.86	121.48%	251.43	129.80	121.63	93.71%
4. Big data & AI	29.78	21.72	8.07	37.15%	10.07	19.71	195.76%	56.87	24.86	32.01	128.76%
Total revenue	181.41	131.85	49.57	37.59%	71.01	110.41	155.49%	424.60	197.93	226.67	114.52%

Financial Performance Summary for the 9- month period ended 30 September 2022 compared with 9-month period ended 30 September 2021

For the 9-month period ended 30 September 2022, the performance continually grew. Total revenues of the Group amounted to Baht 424.60 million, increased by Baht 226.67 million or increased by 114.52 percent from the same period of previous year. This was mainly due to the continuous growth in

digital transformation that drive many organization, especially in bank, insurance and technology sector to increase their investment in IT and strategy development to ensure the competitive advantages. As a result, all services (Management consulting (MC), Digital excellence and delivery (DX), Strategic PMO (PMO) and Big data & AI (AI)) had increased in their revenues. For the PMO service, the revenue growth was also driven from the increase in customer demand of consulting from the resume of normal operation from the loosen of the Covid-19 lockdown restrictions. The growth of revenue derive from either new customers and the new projects from the existing customers.

The Group had revenue from United Kingdom customer in this period amounted to Baht 12.17 million. Total oversea revenue from DX and MC services provided to Indonesia, Singapore and United Kingdom customers for the 9-month period at Baht 41.63 million or 9.81 percent of total revenue.

For the 9-month period of 2022, net profits of the Group amounted to Baht 99.62 million which increased 118.79 percent from the net profit of the previous year due to the revenue growth, the stable of cost and expenses, the profit sharing from the joint venture; Orbit Digital Company Limited (Orbit) amounted to Baht 16.31 million and the tax exemption from BOI which was approved since previous quarter.

Financial Performance Summary for the 3- month period ended 30 September 2022 compared with 3-month period ended 30 June 2022

For the 3-month period ended 30 September 2022, total revenues of the Group amounted to Baht 181.41 million, increased by Baht 49.57 million or increased by 37.59 percent QoQ. This was mainly due to the growth from DX, AI and PMO services in terms of the timely delivery and the expansion of new projects due to the continuous growth in digital transformation trends in bank, financial institution, insurance and technology sector.

For the 3-month period of quarter 3/2022, net profits of the Group amounted to Baht 38.03 million which increased 15.47 percent from previous period due to revenue growth. The net profit margin for this quarter decrease from previous quarter due to the increasing of secondment revenue portion which was provided to Orbit, the joint venture.

Financial Performance Summary for the 3-month period ended 30 September 2022 compared with 3-month period ended 30 September 2021

For the 3-month period ended 30 September 2022, total revenues of the Group amounted to Baht 181.41 million, increased by Baht 110.41 million or increased by 155.49 percent YoY that were driven from all services.

For the 3-month period of quarter 3/2022, net profits of the Group amounted to Baht 38.03 million, represented which increased 145.79 percent from the net profit of previous year due to the revenue growth.

As of 30 September 2022, the Group reported total backlog at Baht 430.88 Million which expected to recognize as revenue in year 2022 not less than Baht 98 million. Remaining balance will be recognized from year 2023-2027.

Balance Sheet

Asset

As of 30 September 2022 total assets of the Group amounted to Baht 774.55 million, increased by Baht 123.55 million from total assets as of 31 December 2021 amounted to Baht 651.00 million. Changes in assets can be summarized as the following;

- Increase in account receivable, accrued income and work in progress amounted to Baht 109.92 million from operational growth;
- Increase in investment in joint venture and associated company amounted to Baht 16.84 million;
- Increase in goodwill for the subsidiary acquisition amounted to Baht 18.86 million;
- Increase in right-of-use asset, building improvement and equipment amounted to Baht 6.43 million;
- Decrease in cash and cash equivalent and short term investment amounted to Baht 30.28 million from the cash payment in operation and investment

Liabilities

As of 30 September 2022 total liabilities of the Group amounted to Baht 167.45 million, increased by Baht 60.34 million from total liabilities as of 31 December 2021 amounted to Baht 107.11 million. Changes in liabilities are mainly due to the increase in trade payable, accrued expense and other liabilities. Offset with the decrease in unearned income.

Shareholders' equity

As of 30 September 2022 total shareholders' equity of the Group amounted to Baht 607.10 million, increased by Baht 63.21 million from total shareholders' equity as of 31 December 2021 amounted to Baht 543.89 million from the 9-month net income offset with dividend payment of year 2021 amounted to Baht 37.50 Million which was paid in May 2022.